

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

PURCHASED WATER ADJUSTMENT) CASE NO.
OF JESSAMINE SOUTH ELKHORN) 2008-00204
WATER DISTRICT)

ORDER

On June 18, 2008, Jessamine South Elkhorn Water District ("Jessamine South Elkhorn") applied for approval to adjust its rates pursuant to the purchased water adjustment procedure. KRS 278.015 and 807 KAR 5:068.

The Commission, having reviewed the record and being sufficiently advised, finds that:

1. Jessamine South Elkhorn purchases water from the city of Nicholasville ("Nicholasville") and Kentucky-American Water Company ("KAWC").
2. Nicholasville has notified Jessamine South Elkhorn that, as a result of an increase in the water withdrawal fees that the Kentucky River Authority ("KRA") assesses to Tier II users, Nicholasville is increasing its wholesale rate from \$1.81 per 1,000 gallons to \$1.85 per 1,000 gallons effective June 29, 2008.
3. KAWC has notified Jessamine South Elkhorn that, as a result of an increase in the water withdrawal fees that KRA assesses to Tier II users, KAWC is increasing its charge to recover the KRA withdrawal fee from \$0.00113 per 1,000 gallons to \$0.08323 per 1,000 gallons of water effective April 1, 2008.
4. Jessamine South Elkhorn proposes a purchased water adjustment factor of \$0.10 per 1,000 gallons.

5. During the 12-month period ending March 2008, Jessamine South Elkhorn purchased 292,776,000 gallons from KAWC and 27,488,600 gallons from Nicholasville and sold 320,264,600 gallons. The increase in the cost of purchased water is \$25,136.45, resulting in a purchased water adjustment factor of \$0.10 per 1,000 gallons.

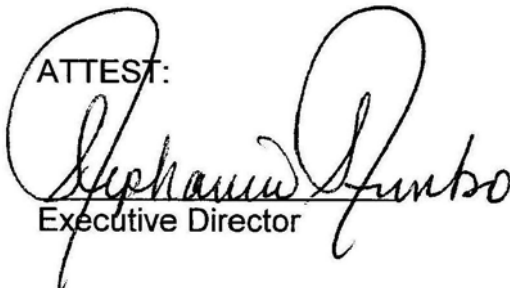
6. The purchased water adjustment factor of \$0.10 per 1,000 gallons is fair, just, and reasonable and should be approved.

IT IS THEREFORE ORDERED that:

1. The rates proposed by Jessamine South Elkhorn are approved.
2. The purchased water adjustment factor of \$0.10 per 1,000 gallons as calculated in Appendix A is approved.
3. The rates in Appendix B, attached hereto and incorporated herein, are fair, just, and reasonable and are approved for service rendered on or after July 5, 2008.
4. Within 20 days of the date of this Order, Jessamine South Elkhorn shall file with the Commission revised tariff sheets showing the rates approved herein.

Done at Frankfort, Kentucky, this 2nd day of July, 2008.

By the Commission

ATTEST:

Executive Director

APPENDIX A

APPENDIX TO AN ORDER OF THE KENTUCKY PUBLIC SERVICE COMMISSION IN CASE NO. 2008-00204 DATED JULY 2, 2008

	New Rate	Base Rate
KAWC		
Purchases in gallons	292,776,000	292,776,000
Withdrawal Fee	<u>\$ 0.08323/1,000</u>	<u>\$ 0.00113/1,000</u>
	\$ 24,367.75	\$ 330.84

City of Nicholasville		
Purchases in gallons	27,488,600	27,488,600
Withdrawal Fee	<u>\$ 1.85/1,000</u>	<u>\$ 1.81/1,000</u>
	\$ 50,853.91	\$49,754.37

Increased water cost \$25,136.45

Increased water cost	\$ 25,136.45
Divided by gallons sold	<u>275,264,600</u>
Purchased water adjustment factor	\$0.10 per 1,000 gallons

APPENDIX B

APPENDIX TO AN ORDER OF THE KENTUCKY PUBLIC SERVICE COMMISSION IN CASE NO. 2008-00204 DATED JULY 2, 2008

The following rates and charges are prescribed for the customers in the area served by Jessamine South Elkhorn Water District. All other rates and charges not specifically mentioned herein shall remain the same as those in effect under authority of the Commission prior to the effective date of this Order.

RATES

Monthly Water Rates

5/8 x 3/4" Meter

First	2,000 gallons	\$ 22.74	Minimum Bill
Next	2,000 gallons	5.72	per 1,000 gallons
Next	2,000 gallons	5.62	per 1,000 gallons
Next	10,000 gallons	5.52	per 1,000 gallons
Next	8,000 gallons	5.42	per 1,000 gallons
Over	24,000 gallons	5.32	per 1,000 gallons

1" Meter

First	10,000 gallons	\$ 67.50	Minimum Bill
Next	6,000 gallons	5.52	per 1,000 gallons
Next	8,000 gallons	5.42	per 1,000 gallons
Over	24,000 gallons	5.32	per 1,000 gallons

2" Meter

First	24,000 gallons	\$ 143.98	Minimum Bill
Over	24,000 gallons	5.32	per 1,000 gallons